

Shop@Anywhere

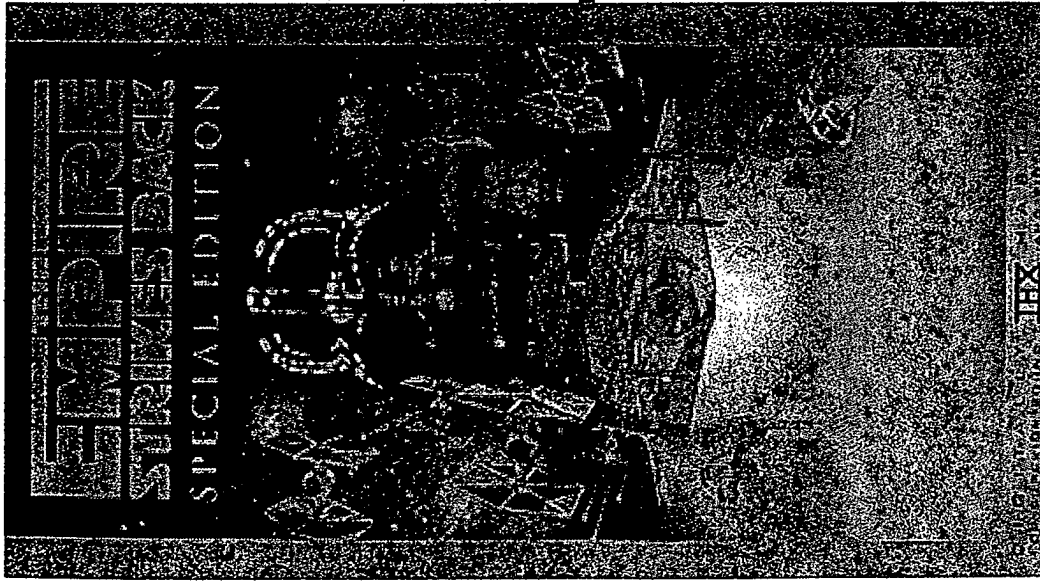
Episode 2: Online/Offline Integration

Code Name: Yoda

Advanced Planning Meeting

Vincent Tong

10/16/00



Feel the "Brick-&-Mortar" Force...
Online retail sales will reach only a
modest 7% of the total retail market
within the next 4 years
(Red Herring/Forrester Research 07/00)

What's the problem we are trying to solve?

- ⌘ Consumers will spend \$199 billion online in 2005, but they will spend more than 3 times that offline as a direct result of online research (Jupiter 06/00)
- ⌘ Consequently, consumers need the ability to find the best deals for an individual product from online merchants as well as from physical store nearby all-in-one-place
- ⌘ Neither AOL nor our key competitors are addressing this need

"73% of all online buyers look
confined for the most convenient
off-line physical store location"
- Jupiter

"73% of online browsers indicated
that they researched products online
and then purchased them at a
physical store" - Jupiter

Goals

SHORT-TERM (Shop@Anywhere Bullet – 6 months)

- ⌘ Make shopping easier and more convenient by helping consumers to locate nearby physical stores of “click-&-mortar” Shop@ merchant partners
- ⌘ Highlight local offerings from “click-&-mortar” merchant partners (e.g. physical store presence, local store return/pick-up for online sales)
- ⌘ Earn consumers’ trust, as they release their zipcode/address to us
- ⌘ Generate additional pages views
- ⌘ Drive local ad impressions via Digital City

LONG-TERM

- ⌘ Provide a true multi-channel (both online and offline) merchant comparison environment with store-level product pricing and availability from “click-&-mortar”, “brick-&-mortar” only, and “pure-play e-tailer”

Project Metrics

- ⌘ Deploy store locator feature and highlight local store offering for 100% of “click-&-mortar” Shop@ merchant partners in 100% of Shop@ channels, after 3 months
- ⌘ 15% of store locator users will “store” their zipcode/address for repeat usage, after 3 months
- ⌘ Generate additional 17M pages views in year 1
- ⌘ Drive \$1.3M local ad impressions via Digital City in year 1

Value Proposition

Consumers

- ⌘ Convenience! -- This will make the info needed for my purchase decision readily available (local store listings of merchants)
- ⌘ Quick access to local store content (e.g. nearby restaurants, driving direction) to satisfy my need for entertainment & instant gratification
- ⌘ In the long term, "I have a feeling that [AOL Shopping] is limiting my choices" "Let me know that I could buy a book at BN.com but I could also buy it from Harry's Tiny Bookstore on the corner" (Murmurs)
- ⌘ Bottom Line = AOL provides us with the best comparison shopping for online merchants and local stores – HIGH

Value Proposition

“Click-&-Mortar” Shop@ Merchant Partners (30% in headcount)

- ⌘ Drive sales and foot traffic to local stores
- ⌘ Make the most impact in differentiating vs. pure-play e-tailers. Proximity (touch product, need ASAP, easy return, want ASAP) is the key edge of local merchants (Red Herring/Jupiter 07/00)
- ⌘ Effectively build trust for my online unit. Offline presence is the #1 factor in developing online merchant trust (Jupiter 8/99)
- ⌘ Multi-channel customers spend avg of 20-30% more than single channel customers (Jupiter 06/00)
- ⌘ Bottom Line = AOL helps us to leverage our physical assets to attract profitable customers to shop at our online and/or offline retail channels – HIGH

The Store Locator

- Proximity Search for local stores of "click-&-mortar"
- merchant partners in the Shop@ environment, including Merchant Comparison and other possible areas (e.g. A-Z Store Listing)

PLUS

User may store multiple target locations (link to UMP?)

User may store return/pick-up policy for online sales

San Francisco
Wednesday, August 14, 2008

digitalcity. Make Your Move

Home | About | Contact | Privacy | Terms & Conditions | Site Map | Feedback | Advertise | Sitemap

Local Shopping

How are listings for blackbustler?

Look for another view of store or business

1 to 10 of 74

Store Name	Address	Phone #	Open Hours	User Rating	Reviews (user / pro)	Map & Driving Direction	Sales/Coupon	What's nearby...etc
amazon.com	Free Shipping	Out of Stock	\$8.45	★★★★★				
mobshop	In Stock	\$8.45	★★★★★					
Starline	Check Site	\$8.45	★★★★★					
Walmart	Pre Order	\$8.45	★★★★★					
State Street Direct ONLINE	In Stock	\$8.45	★★★★★					
800.com	In Stock	\$8.45	★★★★★					

The LOWEST price on Name Brand Electronics, Guaranteed

Our Buyer's Club member's enjoy the best values in electronics.

Authorized Dealer - Same day Shipping - Chat Live with out staff.

Get FREE DVD MOVIES with select DVD Players while they last!

Authorized Reseller

- Retail Store
- Store Accepts In-Store Return of Online Purchases
- Store Accepts In-Store Pick-up of Online Purchases
- Store Accepts both In-Store Pick-up and Return of Online Purchases

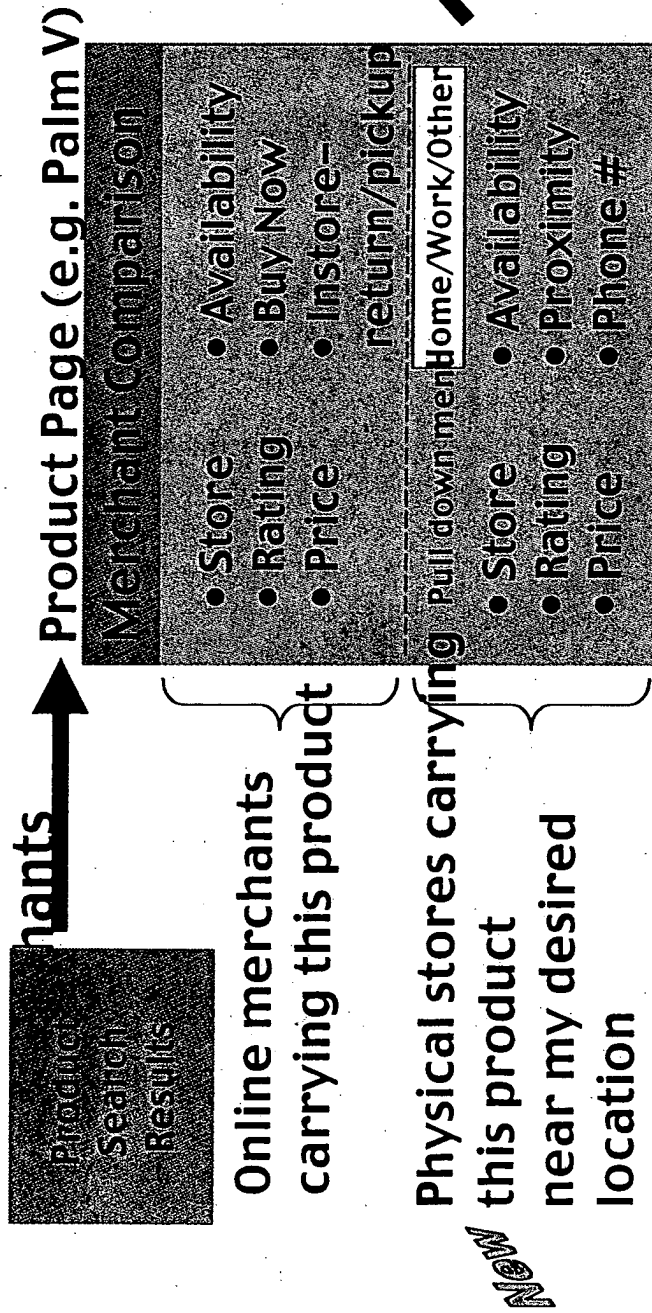
Product Page: Merchant Comparison

(This mock-up is created solely to illustrate the idea. It's not the final



The Long Term Vision (outside the scope of this bullet)

- ⌘ Provide a true multi-channel (both online and offline) merchant comparison environment with the latest store-level product pricing and availability info from “click-&-mortar”, “brick-&-mortar” only, and “pure-play e-tailer”



Cost and Benefit

Revenue & Traffic Impact

Generate \$1.3M in yr 1 & \$1.8M in yr 2 via localized impressions

Generate additional 1.7M page views in yr 1 & 2.4M in yr 2

Open future revenue opportunities via this localized platform

Did I mention Y! MSN and Amazon don't have it?

Retention

Consumers: HIGH
Click-&-Mortar Merchants: HIGH
Pure-play e-tailers: -ve

2-month Development Cycle (Est.)

Engineering	3.5 pm
Engineering - Digital City	1.5 pm
UI Designer	0.5 pm
QA	1 pm
Product Manager	1 pm
Ongoing CPE	0.25 person

Key Dependencies / Risks

- ⌘ **Depends on Digital City** to provide the proximity search and the localized content – *Mitigation: Set the right expectation with DCI on performance requirements, server load, their flexibility and responsiveness in updating store level content upon Shop@ merchant partner's request*
- ⌘ **Privacy concern on allowing user to store zipcode/address** – *Mitigation: The initial check with Kent Walker (legal) was positive. Will confirm with Kent once features are finalized*
- ⌘ **Negative reaction from “pure-play” e-tailer partners** – *Mitigation: Ask Account Management team for feedback*

Open Issues

- ⌘ Can/should we deliver the “stored” user zipcode / address to UMP? – Need to check with Personalization Divlet
- ⌘ In addition to “Merchant Comparison” area (stand-alone and under Product Page), where else can “Store Locator” appear? (e.g. A-Z Store Listing, Dept Pages) – Initial feedback is possible for A-Z Store Listing, but no room for Dept Pages. Need to finalize with Kathleen May.
- ⌘ Do we need permission from merchant partner to deploy “Store Locator”? – Need to check with Acct Mgmt

What's Next?

- ⌘ **Core team assignment – this week**
- ⌘ **Further investigate open issues and risks**
- ⌘ **Project Kick-off Review & PRD – week of 10/30/00**

**This Page is Inserted by IFW Indexing and Scanning
Operations and is not part of the Official Record**

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

- ☐ **BLACK BORDERS**
- ☐ **IMAGE CUT OFF AT TOP, BOTTOM OR SIDES**
- ☐ **FADED TEXT OR DRAWING**
- ☐ **BLURRED OR ILLEGIBLE TEXT OR DRAWING**
- ☐ **SKEWED/SLANTED IMAGES**
- ☐ **COLOR OR BLACK AND WHITE PHOTOGRAPHS**
- ☐ **GRAY SCALE DOCUMENTS**
- ☐ **LINES OR MARKS ON ORIGINAL DOCUMENT**
- ☐ **REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY**
- ☐ **OTHER:** _____

IMAGES ARE BEST AVAILABLE COPY.

As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.